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Japan's Foreign Aid Policy Towards Malaysia¹

Case Studies of the New Miyazawa Initiative and the Kelau
Dam Construction

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Abstract

This article focuses on Japan's foreign aid policy towards Malaysia and undertakes two case studies of more recent developments in Japan's ODA program. The first case study is the 'New Miyazawa Initiative', which was a rescue package introduced by the Japanese government in response to the Asian financial crisis of 1997-98. The Japanese government came up with its own plan to help the ailing Asian economies. As the Japanese government assessed properly the needs of its aid recipients and offered a viable alternative solution to the economic woes of its neighbours, Japan's help was positively received by the Malaysian government and the mass media. The case also highlighted some shortcomings in Japan's ODA program, such as excessive bureaucratic red tape and cumbersome procedures of funds distribution. The second case reviewed here is the construction of the Kelau Dam for which Japan also provided funds under the ODA program. The plan was met with a mixed reaction from the Malaysian public and attracted criticism from local NGOs. The second case